

# KAZAKHSTAN STOCK MARKET

January 13 - 19, 2011

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## SUPPLEMENTAL INFORMATION

US dollar = **146.96** at official rate for the end of the period.

US dollar = **146.89** at weighted average rate of the Exchange for the end of the period

Speed of KZT to USD for the period at exchange's rate made **6.6 p.a.**

### Money market indicators as of January 19 and change for the period

Indicator	Rate	Trend
TONIA	0.32	+0.13
Autorepo GCB 2 d.	0.31	+0.13
Autorepo GCB 7 d.	0.52	+0.2
Autorepo GCB 28 d.	0	0
KazPrime-3M	1.87	+0.02

### Stock securities' market indicators as of January 12 and change for the period

Index	Value	Trend
KASE	1,848.09	+4.1
KASE_BP	415.92	+1.8
KASE_BC	418.91	+2.6
KASE_BY	14.12	+0.7

## MAIN NEWS OF THE MARKET

### January 13 Republic of Kazakhstan Agency for Statistics reported that:

- The economy of the republic in December 2010 (estimated) **was employed 8.1 million people**. In the same period last year their number increased by 206.9 thousand people or 2.6%. Number of employees in the period amounted to 5.5 million people (67.1% of total employment);
- **large and medium-sized businesses** and organizations in December of this year made **46.0 thousand people dropped out** for various reasons - **64.0 thousand people**;
- **in November 2010** was an increase in **prices for products of foreign trade** in Kazakhstan. As stated, the prices of exported goods in November compared to October rose by 2.4%, import - by 2.1%;
- **The number of transactions in housing sales** in January-December 2010 compared with the period January-December 2009 **increased by 17.1%**;

**Jan. 13 press-service of Customs Control Committee of the Ministry of Finance reported that the flow of customs duties in 2010, the budget of Kazakhstan increased by 25.6%.**

### January 14 The National Bank of Kazakhstan reported that:

- **the share of goods production in GDP** in Kazakhstan in January-September 2010 **increased to 43.1%**;
- **Kazakhstan's foreign trade** for the ten months of 2010 **increased by 19.2%**;
- **growth of the industry** in November 2010 **reached 11.6%**;
- **By November 2009, investments grew by 5.9%** from the preceding month - decreased by 0.4%. The basis of annual growth - increase in funding for the equity and debt, the monthly decline - the budget, and foreign borrowing;
- **profitability of companies in the second quarter of 2010 amounted to 33.1%** (in the first quarter of 2010, 32%). Higher rate of revenue growth companies, led profit growth, has led to increased profitability and growth of profitable enterprises;
- **In November 2010, the number of employed in the economy** in November 2009 increased by 2.7%, the unemployed - fell by 9.1%;
- **Kazakhstan turnover in 2010 amounted to 381 billion 24.8 million ton-kilometers (ton/km)**, increasing by 13.1% than in 2009;
- **Kazakhstan in 2010, investment in fixed assets amounted to 4 trillion 773.2 billion KZT**, or 0.5% less than in 2009;

- **The volume of retail trade in January-December 2010 increased** compared with the corresponding period **last year to 12.3%** and reached 3,014 billion KZT.
- **January-September 2010 trade surplus of Kazakhstan amounted to about \$ 22.5 billion**, an increase relative to the base period for \$ 13.5 billion

**January 17** Republic of Kazakhstan Agency for Regulation and Supervision of Financial Market and Financial Organizations (AFS) **has reported that in 2013 in Kazakhstan will be introduced to the international standard Basel III.** As indicated, according to Basel III reform of the Basel Committee addressed all three components of banks' own capital. Thus, in the capital of the first level provides for the allocation of fixed capital (capital of the highest quality), consisting of paid common shares and non distributed net income; establish additional criteria for the inclusion of instruments in Tier I capital, except for 10 years, beginning in 2013, perpetual financial instruments. According to the Basel Capital Accord III second and third levels include: the inclusion in Tier II capital of hybrid capital instruments that are excluded from Tier I capital; repeal the current restrictions, which provides that Tier II capital should not exceed Tier I capital, elimination of capital in the third level.

**January 18 Minister of Economic Development and Trade of Kazakhstan Mrs. Zhanar Aitzhanova** at a meeting of the Government reported that an assessment in 2011, the economic policy of the Government, the National Bank and the **FSA will ensure that real GDP growth at 4-5%**, keeping inflation in the corridor of 6-8%. Mrs. Zh. Aitzhanova noted that in 2011, will continue active joint work with the business community to develop and promote the economic interests of Kazakhstan and the new opportunities opening up within the Customs Union and Common Economic Space. In order to further integrate into global trade and economic system a priority in the foreign economic policy will accelerate the accession to the WTO, in close coordination with partner countries on the vehicle. In 2011, the State program for innovative industrial development will be significantly stepped up internal and external investment resources in the processing sector of the economy and infrastructure of the country will launch an additional new industrial and innovation projects in the maps of industrialization. In order to stimulate productivity in the economy will be adopted on a large-scale program of modernization of existing enterprises, "Performance 2020". Also stated that in support of entrepreneurship, including small and medium-sized businesses will continue implementation of the Roadmap for business-2020 in four areas, support business initiatives, improvement of the business sector, reducing the currency risks of entrepreneurs and strengthening entrepreneurial potential.

**January 19 JSC "National Agency for Export and Investment" KAZNEX INVEST "Ministry of Industry and Trade of the Republic of Kazakhstan reported that" KAZNEX INVEST "**, has **attracted investors in new technologies.** As indicated, the Finnish company Photonium, one of Europe's leading suppliers of electronic industry, is considering investing in the production of fiber-optic cables in the territory of Kazakhstan. According to the report, the prospects for the first time such a project were discussed at a meeting of the Finnish delegation with Deputy Prime Minister - Minister of Industry and Trade of the Republic of Kazakhstan and representatives of the Mr. Asset Isekeshv KAZNEX INVEST, held in December 2010 in Astana. The parties discussed the prospects of saving the republic, development of innovative technologies and the ability to export fiber into neighboring countries, in particular, within the Customs Union.

**January 19, it became known that the President of Kazakhstan Nursultan Nazarbayev took part in the ceremony of the official commissioning of the National Broadcasting satellite network.** As indicated, the President familiarized with the program implementation of digital broadcasting in the center of the control and monitoring, as well as inspected the equipment used to encode and multiplex the content of satellite broadcasting. Launch of satellite digital television - the first step in translating the national broadcasting to new digital technology. With the commissioning of a new system of satellite broadcasting all the inhabitants of the country, including remote and border villages, for the first time will have the opportunity of free admission to 37 national and regional television and radio programs via satellite link.

## **MARKET SHARES**

### ***Market news***

In this sector of KASE during the analyzed period deals were concluded. Bidding on the placement of the bonds was not conducted.

### ***Primary market sector***

In this sector of KASE during the analyzed period deals were concluded. Bidding on the placement of the bonds was not conducted.

## Secondary market sector (purchase and sale)

A total of 599 deals were made in shares during the analyzed period.

	current	Trend for	
	week	1 week	2 weeks
Average daily volume. USD th.	2,127.4	10.5%	21.3%
Average daily volume. KZT m.	313.0	10.4%	21.1%
Stake of nego deals. number (%)	0	+0.01 pp	-0.8 pp
Stake of nego deals. volume (%)	0.1	+0.09 pp	-22.4 pp
KASE members	30	11.8%	9.1%
Number of shares denominations*	18	10.0%	0
Stake of pension funds. gross (%)	0	-1.0 pp	0
on purchase	0	-0.8 pp	-11.8 pp
on sale	0	-1.2 pp	0
Stake of individuals. gross (%)	55.3	+22.2 pp	+0.40 pp
on purchase	40.0	+13.7 pp	-0.6 pp
on sale	70.5	+30.7 pp	+1.4 pp
Stake of nonresidents. gross (%)	16.2	-2.9 pp	+2.6 pp
on purchase	21.1	-8.38 pp	+9.7 pp
on sale	11.3	+2.5 pp	-4.5 pp

\*on which deals were made at KASE

In the described period weighted average daily prices of 12 items of equity instruments involved in the transaction, 3 instruments have showed a growth, prices of 3 instruments did not changed. Negative change in shares prices in the range from 9.09% (AZNOp) to 11.69% (ZERD), positive – from 2.56% (GB\_KZMS) to 14.99% (RDGZp).

More detailed data on share trades on KASE shown in table below.

### Results of share trades on KASE, including STF of RFCA within January 13 - 19, 2011, only by data on deals made on the secondary market of KASE by the methods of opened trades)

Share code on KASE	Price. KZT per share:		Volume		Num- Ber of deals	Best for the period:	
	min.	max.	th.USD	deals		bid	offer
	on the last deal:		for last 365 days:				
	min.	max.	price	trend. %	min.	max.	
AZNOp	1000	1000	1000		1000	1100	1000
BSUL	630	630	630	0	200	630	630
BTAS	4.7	5.6	4.9	-9.26	4.7	1600	58
CCBN	611	651	651	+6.55	515	817	53
CSBNp	445	445	445		409	1437	2
GB_ENRC	2510	2600	2600	+4.00	1800	2800	18
GB_KZMS	3695	3800	3800	+2.70	2155	3800	19
HSBK	380	397	397	+4.47	250	400	37
KAZI	220	220	220		100	220	1
KKGB	441	469	469	+6.59	356	700	34
KZTK	18500	19800	19800	+4.78	11800	19800	66
KZTKp	8800	9416	9200	+3.95	6000	9416	12
RDGZ	17401	20300	19700	+11.93	15155.01	24300	35
RDGZp	17250	20145	19750	+14.83	10800	21988.89	122
SATC	71.07	71.07	71.07	0	70	75	8
TSBN	900	900	900	+4.05	865	980	1
ZERD	1.35	1.54	1.36	-11.69	0.67	6.7	4
ZERDp	5.4	5.4	5.4	0	4.6	5.72	1
18						8,067.7	477

Notes: Trends are given relative to the last deal of the previous 30 days period (December 12, 2010 - January 12, 2011). If deals were not made in the previous month the trend is not calculated.

## MARKET OF CORPORATE BONDS

### News of corporate bonds market

January 14, it became known that since January 17 on the secondary market opens KASE trades in international bonds XS0532988770 (BTASe7), XS0532990677, (BTASe11), XS0532995049, (BTASe15) BTA Bank JSC (Almaty).

## Primary market sector

In this sector of KASE during the analyzed period, no deals were made. Offerings were not made.

## Secondary market sector (purchase and sale)

A total of 90 deals were made in bonds during the analyzed period on KASE.

	current week	Trend for	
		1 week	2 weeks
Average daily volume. USD th.	4,979.9	43.4%	55.0 pp
Average daily volume. KZT m.	732.5	43.5%	54.9 pp
Stake of nego deals. number (%)	0	0	0
Stake of nego deals. volume (%)	0	0	0
KASE members	27	10.0%	12.5%
Number of bonds denominations*	32	30.4%	14.3%
Stake of pension funds. gross (%)	22.6	+4.0 pp	-6.9 pp
on purchase	23.2	+4.3 pp	+11.5 pp
on sale	22.1	+3.6 pp	-25.3 pp
Stake of individuals. gross (%)	13.1	-3.1 pp	+7.9 pp
on purchase	4.8	+0.6 pp	+2.4 pp
on sale	21.4	-6.8 pp	+13.45 pp
Stake of nonresidents. gross (%)	0	0	0
on purchase	2.54	+2.12 pp	+2.53 pp
on sale	0	0	0

on which, deals were made at KASE

Following the period of growth of average net price on the open market bonds were characterized by 15 items, fall – 12, prices of the 4 tools have not changed. Yield to maturity for a buyer on deals rose during the week for 13 bonds, have declined - in 12, benefits of 6 instruments did not changed.

Positive change in bond yield to maturity in the range from 0.02% (TXBNb5) to 13.05% (NFBNb1), negative - from 0.02% (BTAlb8) up to 5.93% (BTAlb3).

More detailed data on corporate bonds on KASE shown in table.

### Results of bond trades on KASE including STF of RFCA within January 13 19, 2011 (only on data of deals . made on secondary market of KASE by the methods of opened deals)

Bond code on KASE	Yield to maturity for a buyer. % APR:						Volume of deals th. USD	Num- ber of deals	Best for the	
	on the last deal:		for last 365 days:		period:					
	min.	max.	yield	trend	min.	max.			bid	offer
ABDIb1	34.00	34.00	34.00	0	34.00	36.00	4.59	1	34.00	34.00
APKlb1	10	10	10		10	16	63.03	4	10.00	10.00
ASBNe10							0.46	4	-1.86	-0.61
BTAlb2	16.50	16.50	16.50	-1.00	16.50	50.90	68.05	1	0.00	16.50
BTAlb3	15.59	15.59	15.59		15.59	103.53	6.45	1	0.00	15.35
BTAlb5	16.50	16.50	16.50	-1	16.50	46.71	54.44	1	0.00	16.50
BTAlb8	17.48	17.48	17.48	-0.02	6.17	61.41	3,300.19	1	0.00	17.48
BTAlb9	6.80	6.80	6.80	0	6.80	30.00	516.75	6	6.80	6.80
CCBNb11	8.10	8.70	8.10		8.10	9.50	846.86	2	8.10	8.70
CCBNb17	9.00	9.00	9.00		8.00	10.00	4.11	1	9.00	9.00
CCBNb20	8	8.9	8.2		8	8.9	6,671.57	5	8.00	8.90
CCBNb4	7.50	7.50	7.50		6.50	11.00	70.73	1	7.50	7.50
CCBNb7	8.10	8.40	8.10		8.10	13.00	700.97	2	8.10	8.40
CCBNb8	10.00	10.00	10.00		9.00	11.70	1.68	1	10.00	10.00
CCBNe5	8.50	8.50	8.50		6.50	10.00	13.92	1	8.50	8.50
HSBKb13	10.50	10.50	10.50	0	8.50	13.91	131.09	1	10.50	10.50
KASTb2	7.00	7.00	7.00		7.00	21.00	14.18	1	6.80	7.00
KDTSb1	15.79	15.79	15.79	+0.21	15.25	51.80	11.11	2	15.79	15.81
KKGBb6	11.50	11.50	11.50	0	9.50	11.55	2.99	1	11.50	11.50
KZIKb17	13.9	13.9	13.9		12	15.9	54.77	1	13.90	13.90
KZIKb6	5.00	9.00	5.00		5.00	14.00	25.04	2	5.00	9.00
NFBNb1	32.00	32.00	32.00		18.95	36.00	3,766.25	2	32.00	32.00
NRBNb7	9.00	11.00	11.00		9.00	11.00	33.28	2	9.00	11.00
ORDKb2	14.00	16.00	16.00	+4	12.00	16.00	88.50	2	14.00	16.00
PRKRb4	7.90	7.90	7.90	-0.30	6.15	8.50	79.44	1	7.90	8.38
RESCb1	8.00	9.00	9.00		8.00	12.00	872.40	3	8.00	9.00
RGBRb5	9.00	9.00	9.00		7.60	9.00	1,160.71	1	9.00	9.00
RGBRb6	15.57	16.00	16.00	0	14.00	16.00	604.26	3	15.57	16.85
SKKZb23	4.90	5.00	5.00	+0.40	4.50	6.50	112.34	5	4.90	5.00
TSBNb5	14.00	14.00	14.00	0	13.00	20.00	2.03	3	14.00	14.00
TSBNb6	14.00	14.00	14.00		12.00	15.00	60.68	6	14.00	14.00
TXBNb5	6.40	6.40	6.40	-0.13	5.20	6.53	4,335.76	1	6.35	6.40
<b>46</b>							<b>61,618.1</b>	<b>90</b>		

Notes: Trends are given in percentage points (1pp = 100 basis points) relative to the last deal of the previous 30 days period (December 12, 2010 - January 12, 2011). If deals were not made in the previous month the trend is not calculated.

## GOVERNMENT SECURITIES (GS) SECTOR

### Primary market sector

January 19 at the KASE trading system specialized trades on placement of short-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEKKAM-12 one hundred and twelfth release (KZK1KY011123, MKM012\_0112, 100KZT., 19.1.1911, 19.1.1912), on which the Ministry of Finance planned to attract 15,000.0 million KZT. The subject of the auction is the price of bonds. In the auction was attended by 14 primary dealers, which are members of KASE category "K". Through these subjects, investors filed 39 applications, of which the expiration time applications were 37 active warrants. Total volume of active bids (demand volume) amounted to 38,015.3 million KZT and exceeded the proposed level of accommodation in 2.7 times. Price of bonds in active bids ranged from 97.2763% to 98.3768% of the cost, amounting in average terms, 98.0457% of the value of the bond. As a result of trade, the issuer granted the application to purchase 45 million of bonds in the amount of 4,424,039,799.99 KZT (30.0% of planned volume offering) at 1.72% per annum.

### Secondary market sector (purchase)

During the monitoring period, the total volume of 13 transactions at KASE amounted to KZT4,777.1 million (\$32.5 million). In the previous period (December 30, 2010 – January 12, 2011), this figure was KZT15,887.2 million (\$107.8 million) with 54 transactions. The share exchange in the total volume of Kazakhstan secondary market transactions for comparable sales in the analyzed period amounted to 100.0% (in the previous period - 91.3%).

#### Parameters of Exchange's transactions in GS within January 13 - 19, 2011

Days till maturity	Yield to maturity for a buyer. % APR.		last deal	weighted average	Volume. m. KZT discounted	Number of deals
	min	max				
<b>Discount (KZT): the notes of NB.</b>			<b>57.8% (15.8%) of purchase and sale sector's turnover</b>			
8-14	0.50	0.50	0.50	0.50	129.98	1.00
64 - 91	0.96	0.96	0.96	0.96	2,494.23	2.00
182 - 364	1.76	1.76	1.76	1.76	135.25	1.00
<b>Total</b>					<b>2,759.5 (2,510.2)</b>	<b>4 (4)</b>
<b>Coupon (KZT): MEOKAM, MEUKAM, MEUJKAM</b>			<b>42.2% (84.2%) of purchase and sale sector's turnover</b>			
1096 - 1460	3.07	7.70	6.97	5.60 (3.13)	1,687.12	6
1461 - 1825	4.10	4.10	4.10	4.10 (4.10)	204.65	1
Over 2191	5.20	5.20	5.20	5.20 (5.37)	125.79	1
Less 730	7.30	7.30	7.30	7.30 (4.03)	0.04	1
<b>Total</b>					<b>2,017.6(13,377.0)</b>	<b>9 (50)</b>
<b>TOTAL</b>					<b>4,777.1 (15,887.2)</b>	<b>13 (54)</b>

### KASE MEMBERS

January 19, it became known that, in accordance with the order of the President of Republic of Kazakhstan Agency for Regulation and Supervision of Financial Market and Financial Institutions on **January 6, 2011 # 4 JSC Insurance Company "Amanat Insurance" issued a license by January 6, 2011 # 01.02.1915 to the right of insurance (reinsurance)** for the industry, "general insurance" to include additional classes of insurance in the voluntary form of insurance.

January 19, it became known that, in accordance with the order of the President of Republic of Kazakhstan Agency for Regulation and Supervision of Financial Market and Financial Institutions on **January 11, 2011 # 10 Subsidiary insurance company of the People's Bank of Kazakhstan Halyk - Kazakhinstrakh "granted a license by January 11, 2011 # 1.2.1911 for insurance (reinsurance) for the industry, "general insurance"** to include additional classes of insurance in the voluntary form of insurance

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